

Message Text

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PAGE 01 DACCA 04457 030127Z

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TO SECSTATE WASHDC 4444

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TAGS : PFOR, EAID, BG

SUBJECT : PRESS ARTICLE ON PL-480 AND CUBA TRADE

REF : DACCA'S 4444

TEXT OF HINDUSTHAN STANDARD'S ARTICLE FOLLOWS:

QUOTE. THE USA HAS ASKED BANGLADESH TO STOP EXPORTING GUNNY TO CUBA IF IT WANTED TO OBTAIN THE PROMISED 100,000 TONS OF WHEAT AND 50,000 TONS OF RICE TO MEET ITS IMMEDIATE FOOD CRISIS. DACCA HAS COMPLIED THAT. THIS IS A CLASSIC EXAMPLE OF USING FOOD AS A POLITICAL WEAPON BUT IS ALL THE MORE SENSELESS AS MOVES ARE AFOOT FOR THE LIFTING OF THE ECONOMIC EMBARGO AGAINST AND ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH CUBA. SINCE 1967 FOREIGN COUNTRIES THAT SELL COMMODITIES TO CUBA ARE INELIGIBLE FOR CREDITS THROUGH THE US FOOD AID PROGRAMME. BUT THIS LEGAL BAN CAN EASILY BE WAIVED BY THE US PRESIDENT MERELY DECIDING THAT SUCH AID WAS " IN THE NATIONAL INTEREST" AND PROVIDED THE SALES WERE ONLY OF MEDICAL SUPPLIES, FOOD OR AGRICULTURAL GOODS. ON AUGUST 14, PRESIDENT FORD, IN ONE OF HIS FIRST ACTS AS

UNCLASSIFIED

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PAGE 02 DACCA 04457 030127Z

PRESIDENT, ISSUED SUCH A WAIVER FOR THE SALE OF 100,000

METRIC TONS OF WHEAT TO EGYPT. THE DEAL VALUED AT \$17 MILLION WAS SIGNED IN CAIRO ON SEPTEMBER 12. HOWEVER, ON JUNE 7, WASHINGTON HAS CONCLUDED A CREDIT TO EGYPT FOR \$10 MILLION FOR THE PURCHASE OF 4000 TONS OF TOBACCO FROM CUBA. AMERICAN OFFICIALS POINT OUT THAT 73,000 TONS OF US WHEAT FROM LAST YEARS PROGRAMME ARRIVED IN DACCA IN JULY, A MONTH AFTER THE PROBLEM OF DACCA'S TRADE WITH CUBA AROSE. IN ADDITION OFFICIALS OF THE US AGENCY FOR INTERNATIONAL TRADE HAVE SAID THAT CURRENT STOCKS OF FOOD IN THE HANDS OF THE BANGLADESH GOVERNMENT EXCEED 250,000 TONS AND WERE ADEQUATE TO PREVENT MASS STARVATION AND HUNGER. DACCA HAS ESTIMATED ITS COMING FOOD SHORTAGE AT 2.3 MILLION TONS. US OFFICIALS CONSIDER THAT ESTIMATE TOO HIGH.

DESPITE THE ANNOUNCEMENTS MADE BY PRESIDENT FORD AND THE SECRETARY OF STATE, DR. KISSINGER, THAT THERE WOULD BE AN INCREASE IN THIS COUNTRY'S FOREIGN FOOD ASSISTANCE, NO DECISION HAS YET BEEN MADE. APART FROM THE MOOD OF THE CONGRESS TO REDUCE RATHER THAN INCREASE SUCH FOOD AID. THERE IS DR. KISSINGER'S DIRECTIVE THAT " SECURITY ASSISTANCE" MUST CONTINUE TO TAKE PRIORITY OVER DEVELOPMENT AID OR HUMANITARIAN CONSIDERATION IN THE US FOOD CREDIT PROGRAMME KNOWN AS PUBLIC LAW 480.

SEVENTY PER CENT OF ALL SUCH LOW-INTEREST LONG-TERM CREDITS WENT IN THE FISCAL 1974 TO VIETNAM AND CAMBODIA. IN THE FISCAL 1975 WHICH BEGAN IN JULY THERE HAS NOT YET BEEN ANY DEFINITE ALLOCATION. THE FOUR COUNTRIES THAT ARE " TENTATIVELY" ON THE LIST ARE VIETNAM, CAMBODIA, EGYPT AND SYRIA-- ALL FOUR QUALIFYING UNDER DR. KISSINGER'S SECURITY INTEREST STIPULATION. IT IS SIGNIFICANT IN THE NEXT GROUP OF TENTATIVES THERE IS BANGLADESH, BUT ALSO CHILE WHERE THE RESPRSSIVE MILITARY JUNTA WAS BROUGHT INTO POWER NOT WITHOUT DR. KISSINGER'S OWN INPUT. UNQUOTE.
BOSTER

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